

California Environmental Protection Agency

Brownfields Insurance Program

Financial Assurance and Insurance for Redevelopment ("FAIR")

**REQUEST FOR
QUALIFICATIONS & PROPOSALS
("RFQP" NUMBER I-20008)**

Date: August 12, 2002

You are invited to review and respond to this Request for Qualifications & Proposal ("RFQP"), entitled the *California FAIR Brownfields Insurance RFQP* (# I-20008). In submitting your responses and proposals, you must comply with the instructions found herein.

Note that all agreements entered into with the State of California (the "State") will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at the Internet Site: <http://www.dgs.ca.gov/contracts>.

In the opinion of the California Environmental Protection Agency ("Cal/EPA"), this RFQP is complete and without need of further explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFQP is:

Bruce Sean Reshen
MGP Environmental Partners LLC
TEL: 203-399-6622
FAX: 203-973-1356
Email: reshen@mindspring.com

Please note that no verbal information provided will be binding upon the State unless such information is confirmed in writing by the State as an official addendum hereto.

Rick Brausch
Assistant Secretary for Brownfields and Toxic Substances
California Environmental Protection Agency

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PART ONE: GENERAL BACKGROUND AND OVERVIEW

A. Purpose and Description of the FAIR Program

The Secretary of Cal/EPA (the “Secretary”) has been authorized and directed by statute (Chapter 6.8 of Division 20 of the California Health & Safety Code, at §§25395.40 through §§25395.45, the “FAIR Statute,” a copy of which is attached to this RFQP as **EXHIBIT A**) to design and implement the *California Financial Assurance and Insurance for Redevelopment Program* (the “FAIR Program”).

The expressed legislative objective of the FAIR Program is to make comprehensive and cost-effective environmental insurance coverage available in California for redevelopment of Brownfield properties--those properties that are abandoned, idled, or under-used industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental impairments. It is currently anticipated that the FAIR Program will involve sites with expected remediation costs not in excess of Five Million Dollars (\$5,000,000) per site. The prescribed method of reaching this objective is for the FAIR Program to provide a package of pre-negotiated and standardized policies and to design the program so as to lower the transaction costs of environmental insurance generally used in the redevelopment of Brownfield properties throughout the State. The insurance products to be offered under the FAIR Program include:

- A. “Pollution liability insurance”
- B. “Cost overrun insurance”
- C. “Secured creditor insurance;” and
- D. “... any other insurance product that the secretary selects.”

The Secretary has authorized and designated MGP Environmental Partners LLC to manage the development of the FAIR Program (including stakeholder workshops) by assisting the Secretary to prepare this RFQP, to undertake the competitive selection process and to make recommendations to the Secretary as to the program design and the selection of one or more insurance companies for the FAIR Program. While the FAIR Statute, as originally enacted, contemplated state subsidies for the FAIR Program, no such funding is currently available and may not be available in the future. As such, this RFQP requests proposals that do not rely upon any governmental subsidies. It is expected that a significant method of reducing program costs will be through reductions in transaction and administrative expenses.

The Secretary hereby solicits proposals from qualified insurance companies who have expressed an interest in participating in the competitive selection process by submitting a formal response hereto (each a “Respondent”) to become a designated insurance provider for the FAIR Program.

B. RFQP Contents

This RFQP solicits responses in two (2) separate component parts as follows:

1. **PART TWO** is a **Request for Qualifications**, in which Respondents are asked to provide a Statement of Qualifications as to their meeting the financial ratings requirements and qualifications set forth in the FAIR Statute.
2. **PART THREE** is the **Request for Proposals**, which is intended to solicit proposals from Respondents for participation as a provider of any or all of the environmental insurance product lines described in this RFQP, in accordance with the FAIR Program requirements and objectives. The submission, evaluation and selection process and requirements are also described therein.

C. RFQP Procedures and Multiple Proposals

There are multiple alternative approaches to design the FAIR Program in fulfillment of the goals of the FAIR Statute. Respondents must identify and describe in each proposal submitted the product line(s) to be offered under the proposal and the FAIR Program design structure upon which that proposal is based. Several alternatives have been identified in **EXHIBIT B** as examples of potential structures that could be employed to design the FAIR Program. Respondents may refer to these suggested structures in their submissions. Respondents are also encouraged to suggest alternative FAIR Program design and structural approaches in their proposals. Respondents may submit multiple proposals for consideration by the Secretary. Respondents who submit multiple proposals are required to rank in ascending numerical order their preference beginning with their most preferred proposal. Rankings must be indicated in prominent typeset on the cover of each proposal submitted by a Respondent who submits multiple proposals.

D. Supplemental RFP

The Secretary desires to obtain sufficient information from the proposals submitted in response to this RFQP to effectively make two separate but related decisions with respect to the implementation of the FAIR Program: (1) The determination of a definitive conceptual design and structure of the FAIR Program; and (2) The selection of one or more Respondent(s) to participate as a provider of insurance for the FAIR Program. In the event that the proposals provide a sufficient basis for making such determinations, as determined in the Secretary's sole and absolute discretion, the Secretary may make a decision regarding program design and structure and the selection of one or more qualified participants. However, the Secretary specifically reserves the right to issue a Supplemental RFP if necessary or desirable to assist in obtaining further information to assist in the selection of one or more qualified participants and the subsequent implementation of the FAIR Program.

E. Time Schedule

All Respondents are hereby advised of the following schedule and will be expected to adhere to the required dates and timeframes, it being expressly understood that for Respondents time is strictly of the essence for purposes of this RFQP. *The Secretary expressly reserves the right to change any date, timeframe or schedule, upon reasonable notice to the Respondents.*

Public Events**Dates**

Public Stakeholder Workshops

May 21, 2002 (Sacramento)
May 22, 2002 (Los Angeles)**Respondent Events****Dates**

Pre-proposal Conference with prospective Respondents

July 8, 2002

RFQP available to prospective Respondents

August 12, 2002

Written question submittal deadline

August 26, 2002
by 5:00 p.m. Pacific Time

Final date for Respondents' submissions

September 23, 2002
by 5:00 p.m. Pacific Time

Respondent interviews

Beginning week of October 7, 2002

Notice of preliminary selection of program structure and insurance provider(s); or Notice of Supplemental RFP

November 11, 2002

Definitive agreement as to program terms

Target - December 2002

Notice of Intent to Award Contract(s)

Target - January 2003

PART TWO: REQUEST FOR QUALIFICATIONS**A. Statement of Qualifications**

Each Respondent is required to submit a Statement of Qualifications, supplying the Secretary with a statement and supporting evidence of Respondent's qualifications to participate in the FAIR Program in accordance with the qualifications set forth in the FAIR Statute. The Statement of Qualifications must include the following:

1. **Financial Strength and Size.** The FAIR Statute requires that participating insurance companies have “*an A.M. Best Financial Strength Rating of A+ or better and an A.M. Best Financial Size Category of FSC X or larger*” .
2. **Authorization.** The FAIR Statute requires that participating insurance companies be “*authorized in California to offer environmental insurance.*” Authorized carriers are those who are on the California Department of Insurance's list of eligible surplus lines insurers or are otherwise licensed to offer insurance in California, and who operate in conformance with all applicable State laws and regulations.
3. **Public Ratings.** Respondent must also provide the most current financial strength and senior unsecured debt ratings of the Respondent and the specific company affiliate or subsidiary which is anticipated to be the policy issuing company, as verified by each of the following rating agencies:
 - a. A.M. Best
 - b. Standard & Poor's
 - c. Moody's

PART THREE: REQUEST FOR PROPOSALS

A. Proposal Requirements and Information

Respondent is requested to submit proposals that are responsive to the following questions and requests for information. It is imperative that Respondent provides as much information as possible in response to the questions and requests for information. The responsiveness of the Respondent to each item will determine the evaluation and rating of the proposals, as provided in **Exhibit C**. Respondent may submit more than one alternative proposal, without limitation on the number of proposals that may be submitted. All proposals should address the following criteria and questions.

1. Respondent Information

Respondent is requested to provide the following information about its company:

- a. **Specialized Experience** – A general description and applicable details that relate to Respondent’s experience and expertise with:
 - 1) Insurance products (not necessarily “environmental”) that have been “standardized” or “pre-negotiated” for the purpose of achieving lowered transaction costs structures, as contemplated by the FAIR Statute.
 - 2) Environmental insurance programs.
 - 3) Government insurance programs.
 - 4) Pooled insurance programs.
 - 5) Other insurance programs.
 - 6) Insurance structures as described in Exhibit B.
- b. **Claims History** – For each product line specified in this RFQP and proposed to be offered by Respondent, the Respondent must provide both a general description and applicable specific details as to its claims history. Specific details should be provided as to the number of policies that have been issued by Respondent in such product line since Respondent began providing such coverage, the number of claims made, and the number of claims paid (detailing when the claims were paid relative to when such claims were made). Respondent should also provide a detailed listing of all claims that have been litigated (or are currently being litigated). Respondent may also provide other information that indicates its willingness to pay claims as distinct from its financial ability to pay claims.

2. Program Resources

Each proposal should provide the following information about the resources Respondent intends to provide to and for the FAIR Program:

- a. **California Capabilities** – Please provide a general description and applicable details of Respondent’s existing capabilities and resources that are available to insurance customers in California for marketing, issuing and servicing environmental insurance. If Respondent currently does not have any existing capabilities and resources that are available to insurance customers in California or if Respondent proposes to supplement its existing capabilities and resources, please provide a general description and applicable details of the capabilities and resources that Respondent proposes to dedicate to implementation of the FAIR Program in California.
- b. **Team** – Please list the designated team members and provide the most current resumes of the personnel that Respondent proposes to assign to the FAIR Program in the event that Respondent’s proposal is selected. Also provide an organizational chart that illustrates the responsibilities, organization and hierarchy of the assigned team.
- c. **Program Administration** – Please provide a proposed budget and allocation of costs showing how the budget would be funded and a descriptive narrative that illustrates how Respondent proposes to address the following program administration functions:
 - 1) Pre-Screening and submittal of applications
 - 2) Brokerage support and relations for public and private customers
 - 3) Technical engineering services
 - 4) Underwriting processing
 - 5) Claims processing

3. Program Structure

Each proposal must identify in sufficient detail the program structure upon which the proposal is based. Respondent may utilize any potential structure listed on the attached **EXHIBIT B** as the basis for its proposal. In addition, Respondent may suggest alternative approaches that the Secretary should consider in making its determination even if they have not been identified in this RFQP. Additionally, Respondent should provide support for the feasibility of any program structures to meet the objectives of the FAIR Program and FAIR Statute (including, without limitation, reducing transaction and other administrative costs).

4. Product Line(s)

Each proposal must specify the product line(s) to be included in that proposal, including, but not limited to:

- a. “Cost cap” or “stop loss” insurance covering response costs for cleaning up contaminated real estate;
- b. Insurance for pollution-related 1st and 3rd party liabilities, including bodily injury, property damage and natural resource damage;
- c. Insurance designed to protect commercial lenders from losses (including loan defaults, liabilities to 3rd parties, clean-up of pollution conditions and legal expenses), where contaminated real estate assets secure the loan;
- d. Insurance designed to protect owners from risks associated with closure and post-closure obligations; and
- e. Other product lines that Respondent proposes to provide under the FAIR Program that would enhance the FAIR Program’s ability to achieve its goals and objectives.

5. Program Pricing

- a. For each product line proposed to be offered by Respondent, as appropriate, please provide a premium pricing schedule that Respondent proposes to charge for those products under the FAIR Program. In the schedule, Respondent should include ranges of estimated cleanup costs, policy coverage limits (both on an incident and aggregate basis), deductibles (or self insurance retentions) and co-insurance requirements.
- b. Respondent must provide any minimum and maximum transaction requirements for the product line(s) proposed.
- c. Respondent must explain how the above premium pricing structure would be extended to additional coverages without losing the lower transaction costs structure of the prenegotiated policies.

6. Policy Issues

- a. Combined Policy Forms. Please describe if Respondent offers combined policy forms and any differences from the general terms, requirements and pricing for individual policies.
- b. Linked Coverages. Please describe if Respondent requires certain policy coverages to be a pre-condition to offering other policy coverages and under what conditions such policy coverages would be linked.
- c. Local Government Coverages. Please describe specific riders or other accommodations that Respondent would make in providing FAIR Program coverages to local government customers to the FAIR Program.

7. Timing

Please describe the process of obtaining due diligence information, conducting underwriting activities, binding coverages and issuing policies and the approximate time period that Respondent requires for such activities.

8. Capacity

Please describe any limitations on Respondent's capacity to service the California FAIR Program market as to aggregate limits capacity, reinsurance capacity and as to the mix of projects based upon contamination types.

9. Scope of Policy Coverages

For each product line proposed to be offered by Respondent, as appropriate, please outline the general terms and requirements as to:

- a. Policy Duration or Term
- b. Policy Coverage Triggers
- c. Reporting Requirements
- d. Standard Endorsements
- e. Standard Exclusions
- f. Assignment of Policy Interests
- g. Severability of Insureds
- h. Use of Alternative Dispute Resolution
- i. Sale or Transfer of Covered Location
- j. Definition of Covered Remediation Costs
- k. Coverage for Regulatory Reopeners
- l. Definition of Insured
- m. Definition of Additional Insured
- n. Definition of Termination Date
- o. Availability of Extended Reporting Periods
- p. Renewals
- q. Reinstatement of Limits

- r. Minimum Earned Premiums
- s. Cancellation

10. Cost Savings

Please describe how Respondent proposes to achieve sustainable cost savings for the FAIR Program participants without decreasing the scope of policy coverages and policy limits, or increasing premiums, deductibles, SIRs, coinsurance provisions or minimum transaction size.

11. Additional Coverages

Please describe the provision or requirements that the Respondent would make for addressing requests by program participants for additional coverages or coverage modifications beyond the prenegotiated policies offered under the FAIR Program.

12. Insurer Record Keeping

Please describe what provision or requirements the Respondent would make for developing and maintaining summaries and analyses of insurer records (applications received, underwriting, technical reviews and claims) for the purpose of enabling the Secretary to evaluate the performance of the Respondent and the performance of the FAIR Program.

13. Marketing and Business Development

Please describe and provide sufficient details describing what financial and other resources exist, or would be made available by the Respondent (if successful), to design, fund and implement a marketing and business development program for the California FAIR Program.

14. Other Factors

Please provide any other factors that would enhance Respondent's ability, if selected, to meet the requirements of the California FAIR Statute for providing "*...environmental insurance products in the most effective and efficient manner and at the least cost to the state and to persons seeking that insurance*"? Respondent should also describe advantages to its overall proposal (including comments on its proposed design structure) for the FAIR Program and provide any other comments or suggestions that the Secretary should consider in selecting a proposal or in determining the design and structure of the FAIR Program.

B. Submission of Proposals

1. Proposal Requirements

Written questions concerning this RFQP may be submitted to the Contact Person specified on the first page of this RFQP package. Questions will be received until 5:00 pm (Pacific) on **Monday, August 26, 2002**. Written responses along with the original question will

be provided to all those companies who have received this RFQP. The following additional requirements shall apply:

- a. Each Proposal should provide straightforward and concise responses and descriptions to the requirements of this RFQP. Each proposal must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a proposal.
- b. Due to limited storage space, the proposal package should be prepared in the least expensive method (i.e., cover page with staple in upper left-hand corner, no fancy bindings).
- c. All proposals must be submitted under sealed cover and sent to the ***California Environmental Protection Agency*** as specified in paragraph e. below, by the deadline provided herein. Proposals received after this date and time will not be considered.
- d. A minimum of ten (10) printed copies of the proposal must be submitted along with an electronic copy in Microsoft Word format on either a 3x5 floppy diskette or a CD-ROM diskette. Each original proposal and all signed documents that are contained in the original proposal package must be marked "ORIGINAL" and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

Respondents who submit multiple proposals are required to rank in ascending numerical order their preference beginning with their most preferred proposal. Rankings must be indicated in prominent typeset on the cover of each proposal submitted by a Respondent who submits multiple proposals

- e. The proposal envelopes must be plainly marked with the RFQP number and title, your firm name and address, and must be marked with "DO NOT OPEN," as shown in the following example:

Firm Name _____

Address _____

Rick Brausch
Assistant Secretary for Brownfields and Toxic Substances Programs
California Environmental Protection Agency

1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

RFQP # I-20008
California FAIR Brownfields Insurance RFQP

Proposal Preference Rank # _____

DO NOT OPEN

- f. If a proposal is made under a fictitious name or business title, the actual legal name of Respondent must be provided.
- g. Proposals not submitted under sealed cover and marked as indicated will be rejected.
- h. All proposals must include the documents identified in Attachment 1, Required Attachment Checklist. Proposals not including the proper "Required Attachments" will be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
- i. A proposal will be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The State may reject any or all proposals and may waive any immaterial deviation in a proposal. The State's waiver of immaterial defect shall in no way modify the RFQP document or excuse the Respondent from full compliance with all requirements if awarded the agreement.
- j. Costs for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the Respondent and shall not be charged to the State of California.
- k. An individual who is authorized to bind the Respondent firm contractually shall sign the Attachment 2, Proposal/Respondent Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal will be rejected.
- l. A Respondent may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline. Proposal modifications offered in any other manner, oral or written, or after the proposal submission deadline will not be considered.
- m. A Respondent may withdraw any of its proposal(s) by submitting a written withdrawal request to the location specified in paragraph e., signed by the Respondent or an agent authorized in accordance with (h) above. A Respondent may thereafter submit a new proposal before the proposal submission deadline.
- n. The Secretary may modify the RFQP before the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package.
- o. If no proposals are received that, in the sole opinion of the Secretary, are responsive to the terms of the RFQP, the Secretary is not required to award an agreement (Public Contract Code 10333 (d), 10377 (d)).
- p. Respondent is cautioned to not rely on the State during the evaluation to discover and report to the Respondent any defects and errors in the submitted documents.

Respondent, before submitting its documents, should carefully proof them for errors and adherence to the RFQP requirements.

- q. One, or more than one, proposal from an individual, firm, partnership, corporation or association under the same or different names, will be considered.
- r. Confidentiality of Proposals. All documents submitted in response to this RFQP will become the property of the California Environmental Protection Agency, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.), and may be subject to review and copying by the public. Moreover, records generated in connection with the review of such proposals, including but not limited to evaluations of proposals, shall also be considered public records. While the California Environmental Protection Agency does not guarantee the protection of any confidential information provided by Respondents, it will endeavor, as required by law, to employ reasonable measures to protect such information. Respondents shall exercise sound discretion in determining whether to submit confidential information. To the extent that Respondents decide to submit confidential information, such information shall be clearly marked as “CONFIDENTIAL” and shall be segregated into a one common, clearly designated section of the proposal. Furthermore, Respondents shall include for each confidential item a complete justification that cites the appropriate statutory authority for claiming confidentiality.
- s. Prohibition Against Collusion. By submission of a proposal under this RFQP, a Respondent represents that its proposal is:
 - 1) Its proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation;
 - 2) The proposal is genuine and not collusive or sham;
 - 3) The Respondent has not directly or indirectly induced or solicited any other Respondent to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any Respondent or anyone else to put in a sham proposal, or that anyone shall refrain from submitting a proposal;
 - 4) The Respondent has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix any proposal prices, including but not limited to overhead, profit, or other cost elements; and
 - 5) All statements contained in the proposal are true.

The foregoing prohibitions against collusion, fraud, and anti-competitive behavior are in addition to, and not in lieu of, any prohibitions under applicable state and federal law.

2. Evaluation and Selection Process

- a. The sealed envelopes containing the proposals shall be publicly opened and read. At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFQP.
- b. The Secretary will qualify each submittal in accordance with the Statement of Qualifications submitted in response to Part Two of this RFQP. The Secretary will not evaluate any proposal from a Respondent not meeting the minimum qualifications as described in Part Two of this RFQP.
- c. The Secretary will designate an evaluation committee (the "Evaluation Committee") to advise and make recommendations to the Secretary. The Evaluation Committee will evaluate each proposal to determine its responsiveness to this RFQP as further detailed in the Evaluation Criteria in the attached **Exhibit C**.
- d. Proposals that contain false or misleading statements, or which provide references, which do not support an attribute or condition claimed by the Respondent, may be rejected. If, in the opinion of the State, such information was intended to mislead the State in its evaluation of the proposal, and the attribute, condition, or capability is a requirement of this RFQP, it will be the basis for rejection of the proposal.
- e. A selection will be made provisionally (subject to negotiation of final terms and conditions) on the basis of the most responsive proposal(s) that has been assigned the highest point total, at the sole discretion of the Secretary. The Secretary reserves the right to reject all proposals for reasonable cause, regardless of the scoring assigned to each proposal.
- f. Small Business Preference: If applicable, the small business/microbusiness preference will be applied during the evaluation and selection process based on minimum qualifications and technical expertise. The 5 percent preference will be applied to the highest responsible Respondents total score.

3. Protest of Selection

- a. Notice of the proposed award shall be posted in a public place in the Office of Secretary of the California Environmental Protection Agency and on the following Internet site: <http://www.osmb.dgs.ca.gov/cscr/> for five (5) working days prior to awarding the agreement.
- b. If any Respondent, prior to the award of agreement, files a protest with the California Environmental Protection Agency and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, West Sacramento, CA 95605, on the grounds that the (protesting) Respondent would have been awarded the contract had the agency correctly applied the evaluation standards in

the RFQP, or if the agency followed the evaluation methods in the RFQP, the agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. Any protest must be submitted by certified or registered mail.

- c. Within five (5) days after filing the initial protest, the protesting Respondent shall file with the Department of General Services, Office of Legal Services and the Secretary of the California Environmental Protection Agency a full and complete written statement specifying the grounds for the protest. This complete written statement must be submitted by certified or registered mail.

4. Disposition of Proposals

Upon proposal opening, all documents submitted in response to this RFQP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. The State cannot prevent the disclosure of public documents. However, the contents of all proposals, draft proposals, correspondence, agenda, memoranda, working papers, or any other medium that discloses any aspect of a Respondent's proposal shall be held in confidence until the "Notice of Proposed Award" is posted.

5. Standard Conditions of Service

- a. Service shall be available not later than thirty (30) days, or on the express date set by the awarding agency and the Contractor, after all approvals have been obtained and the agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the awarding agency, upon five (5) days written notice to the Contractor, reserves the right to terminate the agreement.
- b. All performance under the agreement shall be completed on or before the termination date of the agreement.
- c. The State's General Terms and Conditions (GTC) are not negotiable. The GTC may be viewed at Internet site www.dgs.ca.gov/contracts.
- d. No oral understanding or agreement shall be binding on either party.

6. Required Attachments

Please refer to the following ATTACHMENT 1 for Required Attachments that are to be a part of each proposal submitted by each Respondent to this RFQP.

ATTACHMENT 1**REQUIRED ATTACHMENT CHECK LIST**

A complete proposal will consist of the items identified below.

Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package also. For Respondents submitting multiple proposals, each proposal should contain a Required Attachment Check List and required attachments.

<u>Attachment</u>	<u>Attachment Name/Description</u>
_____ Attachment 1	Required Attachment Check List
_____ Attachment 2	Proposal/Respondent Certification Sheet
_____ Attachment 3	Contractor Certification Clauses (CCC) (current number)* The CCC can be found on the Internet at http://www.dgs.ca.gov/contracts . Page One (1) must be signed and submitted prior to the award of the agreement, but is not required if the Respondent has submitted this form to the awarding agency within the last three (3) years.
_____ Attachment 4	RESPONSES to PART TWO.
_____ Attachment 5	PROPOSAL(S) under PART THREE.

*If applicable

Note: The Secretary has waived the Disabled Veteran BusinessEnterprise (DVBE) requirements for this RFQP.

ATTACHMENT 2

RESPONDENT CERTIFICATION SHEET

This Respondent Certification Sheet must be signed and returned along with all the “required attachments” as an entire package with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFQP instructions.

- A. The all-inclusive proposal is submitted in a sealed envelope marked “Proposal - Do Not Open”**
- B. Place all required attachments behind this certification sheet.**
- C. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.**

An Unsigned Respondent Certification Sheet May Be Cause For Rejection

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
Indicate applicable license and/or certification information:		
9. Contractor’s State Licensing Board Number	10. PUC License Number CAIT-	11. Required Licenses/Certifications
12. Bidder’s Name (Print)	13. Title	
14. Signature	15. Date	
16. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 45%;"> a. Small Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> <input type="checkbox"/> If yes, enter certification number: _____ </div> <div style="width: 45%;"> b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____ </div> </div> <div style="margin-top: 10px;"> NOTE: A copy of your Certification is required to be included if either of the above items is checked “Yes”. Date application was submitted to OSBCR, if an application is pending: </div>		

ATTACHMENT 3

Completion Instructions for Respondents Certification Sheet

**Complete the numbered items on the
Respondents Certification Sheet by following the instructions below.**

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete if your firm holds a California contractor's license. This information will be used to verify possession of a contractor's license for public works agreements.
10	Complete if your firm holds a PUC license. This information will be used to verify possession of a PUC license for public works agreements.
11	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
12, 13, 14, 15	Must be completed. These items are self-explanatory.
16	If certified as a Small Business Enterprise, place a check in the "Yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

EXHIBIT A

Financial Assurance and Insurance for Redevelopment (FAIR) Program Statute

Excerpt from SB 468 (Sher, Chapter 549, Statutes of 2001), including uncodified language, as that statute was amended by SB 526 (Sher, Chapter 37, Statutes of 2002).

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) There are thousands of idle or underutilized urban properties in California where redevelopment has been stymied due to real or perceived hazardous materials contamination.

(2) Because of the reluctance of private developers, local governments, and schools to redevelop these properties, the location of new development tends to be at the edges of urban areas because those areas are generally perceived to entail lesser potential for contamination and liability for cleanup costs.

(3) This has resulted in a multitude of problems, including urban sprawl, decaying inner-city neighborhoods and schools, public health and environmental risks stemming from contaminated properties, reduced inner-city tax bases, and an increased need for major infrastructure improvements such as streets, highways, and sewer systems to service the urban fringe areas while the inner-city infrastructure deteriorates.

(4) Private investors and lending institutions hesitate to fund the redevelopment of underutilized urban properties because they are concerned over the potential legal liability associated with these sites as well as the potential for unexpected site cleanup costs. Environmental insurance has proven to be a valuable tool for private developers and lending institutions in reducing concerns over environmental liability and cleanup costs. However, environmental insurance may not be readily available or affordable for smaller redevelopment projects. Affordable environmental insurance could make conventional financing more feasible for many smaller projects.

(b) The Legislature hereby recognizes that it is in the best interests of the people of California that state funds be made available to make environmental insurance more affordable by negotiating standardized policies and by subsidizing premiums for certain projects. This insurance would be available to stimulate the redevelopment of brownfields and underutilized urban properties, resulting in the overall improvement of the community where the property is located and in the generation of a reasonable economic or social return on those investments.

* * * * *

SEC. 4. Article 8.7 (commencing with Section 25395.40) is added to Chapter 6.8 of Division 20 of the Health and Safety Code, to read:

Article 8.7. California Financial Assurance and Insurance for Redevelopment Program

25395.40. For the purposes of this article, the following definitions shall apply:

(a) “CLEAN Program” means the Cleanup Loans and Environmental Assistance to Neighborhoods Program established pursuant to Section 25395.22.

(b) “Cost overrun insurance” means insurance that covers some, or all of the response costs caused by a known pollution condition at a site, that exceed the estimated response action costs that have been accepted and approved by the insurer, based on information from the department and other relevant sources at the time the insurance is first obtained.

(1) Cost overrun insurance shall, at a minimum, provide for all of the following:

(A) The response costs in excess of the estimated response action costs that have been accepted and approved by the insurer.

(B) A policy period of sufficient length to cover the duration of the response activities, not including post-completion operation and maintenance.

(C) A self-insured retention amount not to exceed 25 percent of the estimated response action costs that have been accepted and approved by the insurer.

(c) “Eligible property” has the same meaning as defined in paragraph (6) of subdivision (a) of Section 25395.20.

(d) “Environmental insurance” means insurance intended to limit the liability associated with the discovery and cleanup of a hazardous materials release, including secured creditor insurance, pollution liability insurance, and cost overrun insurance, and any other insurance product that the secretary selects to be provided pursuant to Section 25395.41.

(e) “Estimated response action costs” means the projected costs of taking a response action in implementing an approved removal action work plan or remedial action plan prepared to address a pollution condition at a site.

(f) “FAIR” means the Financial Assurance and Insurance for Redevelopment Program created pursuant to this article.

(g) “Hazardous material” means a substance or waste that, because of its physical, chemical, or other characteristics, may pose a risk of endangering human health or safety or of degrading the environment. “Hazardous material” includes, but is not limited to, all of the following:

(1) A hazardous substance, as defined in Section 25281 or 25316, including the substances specified in Section 25317.

(2) A hazardous waste, as defined in Section 25117.

(3) A waste, as defined in Section 101075, or as defined in Section 13050 of the Water Code.

(h) “Insurance company” means an insurance company authorized in California to offer environmental insurance and that has an A.M. Best Financial Strength Rating of A+ or better and an A.M. Best Financial Size Category of FSC X or larger.

(i) “Pollution condition” means a release or threatened release of a hazardous material and any resulting impact upon the environment.

(j) (1) “Pollution liability insurance” means insurance that covers damages caused by a pollution condition from, or at, a site that is preexisting and unknown, or was otherwise unknown at the time the insurance is first obtained, and, at a minimum, provides for all of the following:

(A) A minimum policy period of five years after the completion of remediation activities, not including post-completion operation and maintenance.

(B) A duty to defend and pay for defense costs in an amount at least up to the amount of coverage available under the policy, irrespective of whether an administrative or judicial order requires the insured to compensate any party or pay for the damages, so long as there already exists a reasonably quantifiable legal obligation to pay those damages.

(2) For purposes of this subdivision, “damages” means either of the following:

(A) Property damage incurred at a site as an unforeseen and unexpected result of a pollution condition.

(B) Bodily injury, property damage, and response action costs sustained or incurred by a third party as a result of a pollution condition at a site.

(3) For purposes of this subdivision, “damages” includes the property damage, bodily injury, and response costs specified in paragraph (2), irrespective of whether an administrative or judicial order requires the insured to compensate any party or pay for the property damage, bodily injury, or response costs, so long as there exists a reasonably quantifiable legal obligation to pay for those damages.

(k) “Secured creditor insurance” means insurance made available to an insured that covers all of the following:

(1) Response costs at a site incurred by the lender after a default by the borrower or foreclosure by the lender that occurs as a result of a pollution condition at the site, and the costs are reasonably necessary to remediate the site for its intended use so that it can be sold.

(2) Damages or other liability for a pollution condition at a site incurred by a lender as a result of that lender exercising a foreclosure option.

(3) Loss or damages incurred by a lender as a result of a borrower’s inability to satisfy a loan obligation or due to the existence of an unforeseen and unexpected pollution condition.

(4) A duty to defend and pay for defense costs in an amount at least up to the amount of coverage available under the policy, irrespective of whether an administrative or judicial order

requires the insured to compensate any party or pay for the loss, damages, or liability, so long as there exists a reasonably quantifiable legal obligation to pay damages.

(l) "Self-insured retention amount" means response action costs in excess of the estimated response action costs that have been accepted and approved by the insurer that the insured is obligated to pay before being eligible to make a claim of an insurer under a cost overrun insurance policy.

(m) "Unforeseen and unexpected response action costs" means those costs that exceed the estimated response action costs.

25395.41. (a) The secretary shall solicit proposals for a package of environmental insurance products from insurance companies through a competitive bidding process. The request for proposal prepared by the secretary shall identify the objectives of this article and the specific types and coverage limits of the insurance products desired, including endorsements and exclusions. The request for proposal shall require that the proposal allow a purchaser the opportunity to pay for additional coverage without losing the lower transaction costs structure of the prenegotiated policy. The secretary shall hold at least one public workshop in both the northern and the southern part of the state to present and solicit comments on the request for proposal prior to receiving any proposals.

(b) (1) The secretary shall evaluate the extent to which each proposal submitted pursuant to subdivision (a) meets the objectives of the request for proposal and shall also evaluate each proposal and interested party using all of the following factors:

(A) Product pricing.

(B) Claims history.

(C) Underwriting history.

(D) Company financial strength and size.

(E) Scope of policy coverages, including endorsements and exclusions.

(F) Marketing and distribution of the insurance products.

(G) Any other factor that the secretary determines will affect the ability of the selected insurance company to meet the requirements of this article and provide the environmental insurance products in the most effective and efficient manner and at the least cost to the state and to persons seeking that insurance.

(2) The secretary shall select one or more insurance companies that have submitted a proposal pursuant to subdivision (a) to be the exclusive state-designated provider of environmental insurance under this article for a period of three years from the date of selection. The secretary shall select a company that, in his or her determination, has submitted a proposal that best meets the requirements of this article and the objectives stated in the request for

proposal at the best possible price. Every three years, the secretary shall repeat the competitive bidding process specified in this section.

(c) An insurance company selected to provide prenegotiated environmental insurance products pursuant to subdivision (b) shall offer this prenegotiated package of insurance products to any interested recipient of a loan under the CLEAN Program. The insurance company shall also offer the environmental insurance products made available under this article to any other person who conducts a response action in the state.

(d) The secretary shall implement this section in consultation with representatives of other appropriate state agencies, including the Technology, Trade, and Commerce Agency, the Business, Transportation and Housing Agency, the Office of Planning and

Research, the Pollution Control Financing Authority, the Department of Insurance, the state board, the department, and with other interested parties, including developers, lenders, insurers, and representatives from environmental organizations. The secretary shall implement this section in a manner that is consistent with the requirements for state procurement of services set forth in Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code.

25395.42. (a) The secretary shall expend the funds from the Cleanup Loans and Environmental Assistance to Neighborhoods Account established pursuant to Section 25395.20 that are made available in the annual Budget Act for expenditure to subsidize the cost of the environmental insurance products offered by the insurance company selected pursuant to subdivision (b) of Section 25395.41, in accordance with subdivision (b).

(b) The secretary shall provide the following subsidies, in accordance with the application process specified in Section 25395.43, from the funds made available pursuant to subdivision (a):

(1) Up to 50 percent of the cost of the premiums for the environmental insurance products provided pursuant to subdivision (c) of Section 25395.41.

(2) (A) Up to 80 percent of the self-insured retention amount of the cost overrun insurance provided pursuant to subdivision (c) of Section 25395.41, up to a maximum of five hundred thousand dollars (\$500,000).

(B) The secretary may expend the funds available to pay a portion of the self-insured retention amount of the cost overrun insurance provided pursuant to subdivision (b) of Section 25395.41 only under all of the following conditions:

(i) The insured demonstrates that it exercised reasonably prudent business judgment in insuring the cost overrun, consistent with an attempt to minimize the incurred costs, and incurred the costs through no fault of its own.

(ii) The insured pays, at a minimum, the first 20 percent of the self-insured retention amount.

(iii) The secretary determines that the amount of the payment is in the best interests of the state, taking into account the environmental and economic benefits of the specified project, as compared to the benefit of conserving funds for assistance at other sites.

25395.43. (a) Any person who is conducting a response action at an eligible property under the oversight of the department or a regional board and who purchases the prenegotiated environmental insurance products from the insurance company selected pursuant to subdivision (b) of Section 25395.41 may apply to the secretary for the subsidies that are made available pursuant to Section 25395.42. To the extent that the funds that are made available in the annual Budget Act for expenditure to subsidize the cost of the environmental insurance products provided pursuant to this article are available, an applicant is eligible for a subsidy in the order in which the applicant's application is received.

(b) An applicant for a subsidy made available pursuant to Section 25395.42 shall provide the secretary with all information necessary to demonstrate to the secretary that the applicant is eligible to receive a subsidy.

(c) The state and the Cleanup Loans and Environmental Assistance to Neighborhoods Account do not have any obligation to provide funds to any person that applies for a subsidy pursuant to this article. The secretary shall provide an applicant with a subsidy only to the extent that money in the Cleanup Loans and Environmental Assistance to Neighborhoods Account established pursuant to Section 25395.20 has been reserved in the annual Budget Act for the purpose of providing environmental insurance and the money that has been reserved for this purpose is available.

25395.44. If the insurance company selected to provide prenegotiated environmental insurance products pursuant to subdivision (b) of Section 25395.41 terminates its contract with the secretary or otherwise becomes unable to honor policies written pursuant to this article, nothing in this article shall be construed to obligate the state to honor those policies or to pay any claims made on those policies.

25395.45. The agency may adopt regulations to implement this article pursuant to this section. The regulations adopted to implement this article shall be deemed to be emergency regulations for purposes of Section 11346.1 of the Government Code.

Notwithstanding the 120-day limit specified in subdivision (e) of Section 11346.1 of the Government Code, those emergency regulations may remain in effect for up to 180 days.

EXHIBIT B**FAIR Program Structure Alternatives**

Set forth below is a description of four (4) potential alternative program structures:

1. Single Preferred Provider
2. Single Lead Insurer with Following Quota Share Reinsurers
3. Independent Managing Underwriter with Pool of Participants
4. Multiple Preferred Provider Program
5. Variations on or Alternatives to the Above Structures

1. Single Preferred Provider Program

Under this approach, the Secretary would rely upon a single insurance provider to act as the “preferred provider” for the FAIR Program (the “Single Preferred Provider”). The Single Preferred Provider would be the exclusive insurer on redevelopment projects utilizing CLEAN program loans in whole or in part. Where CLEAN loans are not involved, the Single Preferred Provider would receive all referrals by Cal/EPA, would be designated the State’s “Preferred Insurance Provider” for brownfield redevelopment projects and would be allowed to use such designation for marketing purposes, and would receive other benefits to be negotiated and agreed.

2. Selected Lead Insurer with Following Quota Share Reinsurers

Under this approach, the Secretary would select two or more insurers to provide coverage on a “quota share” basis, up to a maximum aggregate limit, with participation percentages to be negotiated. In turn, the selected participating insurers and the Secretary would select one of the insurers to perform the role of lead insurer (“Selected Lead Insurer”).

The Selected Lead Insurer would have the benefits and obligations of the Single Preferred Provider set forth in Alternative 1 above, and would perform an agreed upon scope of underwriting, due diligence and administrative functions. However, a reinsurance treaty would be arranged through which the other selected insurers would automatically assume pre-agreed pro rata shares of each policy issued under the FAIR Program. These insurers would act as “Quota Share Reinsurers” and would assume a proportion of each risk. Each would automatically be bound by the underwriting and claim decisions of the Selected Lead Insurer. The Selected Lead Insurer would receive a fee out of the gross premium to compensate it for the underwriting, due diligence and administration costs it assumes.

3. Independent Managing Underwriter with Pool of Participants

This approach is similar to the previous alternative, “Selected Lead Insurer with Following Quota Share Reinsurers,” except that underwriting, due diligence and binding authority are delegated to an independent managing underwriter (“Independent Managing Underwriter”) rather than a Selected Lead Insurer. The Independent Managing Underwriter would administer the FAIR Program, maintain records, collect and distribute premium and essentially function as an agent with binding authority. One member of the pool of participants would be selected as the policy issuing company, and the other

pool members would assume risk on a pro rata basis through a reinsurance treaty or as otherwise agreed.

4. Multiple Preferred Provider Program

Under this approach, a select group of participating insurers would be designated to be the State's "preferred providers" for the FAIR Program (collectively, "Preferred Providers"). These Preferred Providers would be the exclusive insurers on redevelopment projects utilizing CLEAN program loans in whole or in part. In response to inquiries about insurance where CLEAN loans are not involved, Cal/EPA would send the list of Preferred Providers. Each would be designated by Cal/EPA an official "Preferred Provider" of insurance for brownfield redevelopment projects and would be allowed to use such designation for marketing purposes. Each would receive other benefits to be negotiated and agreed.

Policies would be placed with the Preferred Providers through a competitive bidding process, which is limited to this select group. Only the Preferred Providers would be permitted to quote and bind FAIR Program policies.

In return for receipt of these benefits, the Preferred Providers would agree to the same premium, policy wording, binding process and timing, and capacity requirements set forth in connection with the Single Preferred Provider above.

5. Variations on or Alternatives to the Above Structures

The above alternative structures are not intended to be complete in detail or set forth the entire set of structures and approaches that Cal/EPA will consider. All Respondents are requested and encouraged to submit variations or alternatives to the above program structures. Respondents may also propose other structures incorporating joint, pooled or cooperative approaches or other methods that may reduce costs to program participants.

EXHIBIT C**Evaluation Criteria**

All proposals will be individually evaluated on their own merits. As discussed previously in the RFQP, the Evaluation Committee will look at many factors in each proposal including type and scope of policies and proposed pricing. The Evaluation Committee will use the following weighted criteria to guide the evaluation process.

<u>Respondent Qualifications</u>		
Does the Respondent meet the minimum financial qualifications as provided in the FAIR Statute and is the Respondent authorized to offer the specified insurance products in California?		<u>Yes / No</u>
<u>Proposal Criteria</u>		
NOTE: The rating scale for many of the following evaluation criteria distinguish between relative rather than absolute differences among Respondents.		
Criteria		Available Points
<u>Experience</u>		
1.	Rate the Respondent's experience with environmental insurance products. (Rating Scale: From 0 for no experience to a maximum of 25 for experience with all types of environmental insurance products.)	25
2.	Rate the Respondent's experience with each of the following areas of insurance: a. "Standardized" or "pre-negotiated" insurance products b. Group programs c. Pooling arrangements/programs d. Government programs e. Other insurance programs/structures f. Insurance structures as described in Exhibit B (Rating Scale: From 0 for no experience to a maximum of 30 for experience with all of the above areas of insurance.)	30
3.	Rate the Respondent's historical willingness to pay environmental claims as an indication of how their participation would enhance the FAIR Program. (Rating Scale: From 0 for a poor willingness to pay claims or an absence of information to a maximum of 25 for an excellent willingness to pay claims.)	25

<u>Program Resources</u>		
4.	Rate the level of Respondent's proposed California capabilities and resources. (Rating Scale: From 0 for no California capabilities and resources to a maximum of 10 for a high level of California capabilities and resources.)	10
5.	Rate the Respondent's personnel and organizational commitment proposed to be made available to implement the FAIR Program. (Rating Scale: From 0 for an insufficient level of personnel and organizational commitment to a maximum of 25 for a sufficient level of personnel and organizational commitment.)	25
6.	Rate how well the proposal's structure provides for cost effective state oversight of program administration functions. (Rating Scale: From 0 for a structure that does not provide for cost effective state oversight to a maximum of 50 for a structure that provides for an effective level of cost effective state oversight.)	50
<u>Program Structure</u>		
7.	Rate how well the proposed program structure would support implementation of the FAIR Program. (Rating Scale: From 0 for a program structure that would not support implementation of the FAIR Program to a maximum of 50 for a program structure that would provide a high level of support for implementation of the FAIR Program.)	50
<u>Product Lines</u>		
8.	What environmental insurance product lines would the Respondent offer under its proposal? (Rating Scale: From 10 for a Respondent offering only one environmental insurance product to a maximum of 40 for a Respondent offering all three types of environmental insurance mandated by the FAIR law plus any additional environmental insurance products.)	40

<u>Program Pricing</u>		
9.	<p>Rate how well the policy limits, deductibles, SIR provisions, coverage limits, transaction size limitations and use of combined and/or linked policies contribute to meeting the goals of the FAIR Program.</p> <p>(Rating Scale: From 0 for pricing and transaction criteria that do not meet the goals of the FAIR Program to a maximum of 50 for pricing and transaction criteria that succeed in meeting the goals of the FAIR Program.)</p>	50
10.	<p>What discount from currently available policy pricing does the proposal reflect?</p> <p>(Rating Scale: From 0 for proposals reflecting no discount from currently available policy pricing to a maximum of 50 for proposals reflecting a large discount from currently available policy pricing.)</p>	50
<u>Timing</u>		
11.	<p>Rate how long it takes Respondent from receipt of applications, to perform due diligence and underwriting activities, and bind and issues policies under its proposal.</p> <p>(Rating Scale: From 0 for a Respondent who takes a long time from receipt of applications to issuance of policies to a maximum of 10 for a Respondent who takes a short period of time from receipt of applications to issuance of policies.)</p>	10
<u>Capacity</u>		
12.	<p>Rate the Respondent's capacity to provide each of the insurance products it proposes to offer under its proposal.</p> <p>(Rating Scale: From 0 for a Respondent able to provide a low level of capacity to a maximum of 30 for a Respondent able to provide a high level of capacity.)</p>	30
<u>Scope of Policy Coverages</u>		
13.	<p>For those proposals that include limitations on the policies and/or coverage related to types of contamination or other considerations, rate how those limitations would affect the ability of the Respondent to meet the FAIR Program's goals and objectives.</p> <p>(Rating Scale: From 0 for proposals that include severe limitations on policies and/or coverage to a maximum of 25 for proposals that include no or minor limitations on policies and/or coverage.)</p>	25

14.	<p>Rate how well Respondent's proposal addresses the specialized needs of local governments as purchasers of environmental insurance products.</p> <p>(Rating Scale: From 0 for a proposal that does not address the specialized needs of local governments to a maximum of 25 for a proposal that does address the specialized needs of local governments.)</p>	25
15.	<p>Rate how well the scope and wording of policy terms meet the goals of the FAIR Program.</p> <p>(Rating Scale: From 0 for proposals where the scope and wording of policy terms do not meet the goals of the FAIR Program to a maximum of 50 for proposals where the scope and wording of policy terms do meet the goals of the FAIR Program.)</p>	50
<u>Cost Savings</u>		
16.	<p>Rate the proposal's cost savings under the FAIR Program and whether those cost savings are sustainable.</p> <p>(Rating Scale: From 0 for proposals containing less meaningful and measurable sustainable cost savings for the FAIR Program to a maximum of 40 for proposals containing more meaningful and measurable sustainable cost savings for the FAIR Program.)</p>	40
<u>Additional Coverages</u>		
17.	<p>Rate how well the proposal provides for additional coverages beyond the prenegotiated policies to be offered under the FAIR Program.</p> <p>(Rating Scale: From 0 for proposals not providing for additional coverages beyond the prenegotiated policies to a maximum of 25 for proposals providing a reasonable cost for additional coverages.)</p>	25
<u>Record Keeping</u>		
18.	<p>Rate the proposal's record keeping system and how well that system would allow the Secretary to evaluate the performance of the Respondent and the performance of the FAIR Program.</p> <p>(Rating Scale: From 0 for proposals not providing for an effective record keeping system to a maximum of 25 for proposals that provide for an effective record keeping system.)</p>	25

<u>Marketing and Business Development</u>		
19.	<p>Rate how well the proposed marketing and business development budget provides for education, training, marketing and business development activities to both the public and private sectors to maximize the effectiveness of the FAIR Program.</p> <p>(Rating Scale: From 0 for proposals that do not provide for a marketing and business development budget that is effective in maximizing the effectiveness of the FAIR Program to a maximum of 50 for proposals that do provide for a marketing and business development budget that is effective in maximizing the effectiveness of the FAIR Program.)</p>	50
<u>General/Overall</u>		
20.	<p>Rate how well the proposal supports the FAIR Program goals and objectives.</p> <p>(Rating Scale: From 0 for proposals that do not support the FAIR Program goals and objective to a maximum of 75 for proposals that do support the FAIR Program goals and objectives.)</p>	75
21.	<p>Rate the reasonableness and feasibility of the Respondent's approach to achieving the goals and objectives of the FAIR program.</p> <p>(Rating Scale: From 0 where the Respondent's approach to achieving the goals and objectives of the FAIR Program is judged to be unreasonable and/or unfeasible to a maximum of 75 where the Respondent's approach to achieving the goals and objectives of the FAIR Program is judged to be reasonable and feasible.)</p>	75
22.	<p>Overall, rate the proposal and the Respondent's ability to provide environmental insurance products in the most effective and efficient manner and at the least cost to the state and to persons seeking to purchase that insurance.</p> <p>(Rating Scale: From 0 where the proposal and the ability of the Respondent to provide environmental insurance in the most cost effective and efficient manner and at the least cost to the state and to persons seeking to purchase that insurance is weak to a maximum of 150 where the proposal and the ability of the Respondent to provide environmental insurance in the most cost effective and efficient manner and at the least cost to the state and to persons purchasing that insurance is strong.)</p>	150
Total		935